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EFIN, ETRD, KDEM, SNAR, SMIG, SOCI, EC
SUBJECT: (C) Secretary Clinton's April 18, 2009,
conversation with Ecuadorian President Rafael Correa

¶1. (C) Classified by: Paul D. Wohlers, Deputy Executive Secretary, S/ES, Department of State. Reason 1.4.(d)

¶2. (C) April 18, 2009; 3:00 p.m.; Port of Spain, Trinidad and Tobago.

¶3. (C) Participants:

U.S.
The Secretary
A/S Thomas A. Shannon, WHA
Amb. Hector Morales, USOAS
Deputy Chief of Staff Huma Abedin, S
Deputy Chief of Staff Jacob Sullivan, S
Heide Bronke Fulton (Embassy Notetaker)

ECUADOR
President Rafael Correa
Foreign Minister Fander Falconi Benitez
Minister Natalie Celi, Minister of Social Development
Amb. Carlos Jativa Naranjo, Under Secretary for Multilateral Relations
Amb. Miguel Carlo Benites, Diplomatic Coordinator
Amb. Denys Toscano, Counselor, Mission to the OAS

¶4. (C) SUMMARY. Secretary Clinton and Ecuadorian President Correa met for a cordial discussion that emphasized a mutual desire for a closer relationship based on respect and equality; counternarcotics cooperation; trade preferences; immigration; and economic development. President Correa characterized his and other Latin American governments as often misunderstood, differentiating populism from popularity. Both leaders agreed on the importance of seeking justice through democracy to bring the greatest benefits to citizens. President Correa outlined the benefits of Andean Trade Promotion Act (ATPA) preferences to both Ecuador and the United States, but said he would not beg for ATPA extension. President Correa posited that there was no universal recipe for economic development and committed to dialogue with the United States to reduce misunderstandings and coordinate solutions. Secretary Clinton solicited ideas for ways to address mutual challenges and underscored the need for greater cooperation to work together effectively. END SUMMARY.

Seeking a Positive Relationship

¶5. (C) President Correa warmly greeted the Secretary and expressed his fondness for the United States and the American people despite occasional differences. He stated that at times Latin American governments were not

well understood; frequently when governments took actions that were "non-traditional," they were viewed as populist ? which Correa differentiated from being popular. He observed that, although Latin America was living its most fully democratic period in history, having elections did not automatically mean that democracy existed. He emphasized that democracy equaled

justice, which was not yet fully developed across the hemisphere, and that democratic governance was impossible when injustice and inequality existed. He confirmed the aspiration of his and other regional governments for justice for people, between people, on a global level. Countries in the hemisphere sought a positive relationship with the United States, but the President cautioned that it must be based on respect and equality.

¶6. (C) Secretary Clinton agreed with the importance of justice, adding that seeking justice through democracy would bring the greatest benefits to citizens. She echoed President Obama's stated intention to reestablish hemispheric relations on a more respectful basis. The Secretary emphasized that although disagreements would still exist, her goal was to find a way to work together on a range of issues, and to promote democracy and development to achieve the greatest benefits for both of our countries.

¶7. (C) The Secretary underscored that the Obama Administration had turned a page and we did not yet know what would be written on it. We shared the same values, faith, and respect for human dignity, and we must find a way to translate rhetoric into reality. She proposed a broader strategic dialogue that would transcend the problems between our two countries and enable us to work together to determine sensible solutions. The Secretary expressed her understanding of frustrations with injustice that led to a desire to short-circuit the process, but emphasized the need to continue to work together pragmatically to identify mutually beneficial solutions. President Correa agreed and observed that we shared in common the characteristic of pragmatism, and emphasized his preference for concerted, collective action.

Counternarcotics Cooperation and Trade Preferences

¶8. (C) President Correa raised the issue of the Andean Trade Preferences Act (ATPA), under which Ecuador received trade benefits that were tied to its cooperation in counternarcotics efforts. He observed that countries spent millions of dollars each year to fight drugs and that although the Government of Ecuador (GOE) was committed to this, he also was committed to domestic concerns ? pointing out that more children in Ecuador die of diarrhea daily than of drug abuse, and that every dollar spent on counternarcotics activities took money away from other domestic concerns. He opined that Ecuador was one of the most successful Andean countries in the fight against drugs and the only one that did not grow coca, yet the GOE was forced routinely to beg to have preferences extended. He underscored that ATPA paid dividends not just for Ecuador, but also for the United States in terms of reduced coca cultivation. President Correa confirmed that he had directed his diplomats in Washington not to beg to

extend preferences when ATPA was reviewed in June, and expressed his hope to pursue a permanent trade agreement at some point in the future.

Immigration and Economic Development

¶ 9. (C) President Correa raised the issue of immigration and emphasized that any discussion should focus on a holistic approach that included job creation, access to education, and the creation of opportunities at home so citizens would not be compelled to seek them overseas. He expressed his view that economic development plans historically had over-emphasized multinational companies at the expense of sovereign states. Secretary Clinton acknowledged the President's concerns and observed that many were concerned about the perceived imbalance of power in the region. She proposed exploring proposals for reforms that the GOE would like to see. She characterized employment as the top problem facing the hemisphere, emphasizing the need to help citizens find work in a global economy and to make local economies competitive in a way that respected property rights and the rule of law. She observed that expropriating or driving out multinational corporations also would drive out investment, technology, and competitive advantage, and emphasized the need to identify a 21st century blueprint for the best way to achieve market conditions to directly improve citizens' lives.

¶ 10. (C) President Correa stated his preference for centrally-planned actions, stemming from his analysis of reality in Ecuador ? something that was not always understood in the United States. He opined that a market economy had given the United States great benefits, but it could be a disaster in other countries with great socio-economic asymmetries. In Ecuador, the role of the state was vital to generating financing. He observed that the U.S. economy was competitive, and thus the United States would inevitably come out on top in pursuing free trade and competitiveness. The United States did not become the modern economic power that it was today without relying on protectionism; what Ecuador was doing today, the United States did in the nineteenth century. He emphasized that Ecuador's view and its actions were often misunderstood in the United States; President Correa underscored that there were no universal recipes for economic development and committed to dialogue with the United States to reduce misunderstandings and coordinate solutions. Secretary Clinton pointed to the example of the Scandinavian countries in the early 20th century, offering a model to build institutional capacity. She further emphasized the need for greater cooperation to build the confidence and trust necessary to work together effectively. There was room for differences on an economic approach. The U.S. view was that democracy, development, justice and the rule of law must go hand in hand, and we would work together to find the right balance.

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